

STATE OF MAINE
OFFICE OF SECURITIES
121 STATE HOUSE STATION
AUGUSTA, ME 04333

IN RE:

MALORY INVESTMENTS LLC
RONALD STEIN
SYLVIA GORHOFF

NOTICE OF INTENT
08-015

ALLEGATIONS

1. Malory Investments, LLC ("Malory") (CRD # 110936), is a limited liability company formed in California on January 12, 2001, with a principal place of business at 10801 National Blvd, Suite 101, Los Angeles, California 90064, and a mailing address of 1351 Westwood Blvd. #102, Los Angeles, California 90024. At all relevant times, Malory was a securities broker-dealer.
2. Ronald Stein ("Stein") (CRD # 434761) is an individual who has been at all relevant times an owner and the managing member, chief executive officer, chief financial officer, chief compliance officer, and a control person of Malory.
3. Sylvia Gorohoff ("Gorohoff") (CRD# 4618885) is an individual who has acted at all relevant times as a sales representative of Malory.
4. In 2002 and early 2003, a resident of Franklin, Maine, ("the Maine resident") received telephone calls from a woman identifying herself as Gorohoff, who indicated she represented LifeLine Imaging, Inc. ("LifeLine").

5. Since 2001, LifeLine has sold securities in at least eight separate offerings that LifeLine claimed to be exempt from securities registration. Gorohoff solicited the Maine resident to purchase an investment in an offering known as LifeLine Imaging of Los Gatos, Medical Investment L.P.
6. As a result of Gorohoff's solicitation, in April of 2003 the Maine resident invested \$15,000 in LifeLine Imaging of Los Gatos, Medical Investment L.P.
7. On April 28, 2003, LifeLine made a notice filing with the Maine Office of Securities (the "Office") for LifeLine Imaging of Los Gatos, Medical Investments L.P.
8. The Maine resident has not received any funds back from LifeLine or Malory in connection with the investment.
9. According to the records of the Office, at all relevant times, Malory was not licensed as a broker-dealer to offer or sell securities in Maine and was not exempt from licensing.
10. According to the records of the Office, at all relevant times, Gorohoff was not licensed as a sales representative of Malory to offer or sell securities in Maine and was not exempt from licensing.
11. At all relevant times, it has been unlawful to transact business in Maine as a broker-dealer or sales representative of a broker-dealer unless licensed or exempt from licensing. 32 M.R.S.A. §§10301, 16702.
12. At all relevant times, it has been unlawful for a broker-dealer to employ or contract with a person as a sales representative in Maine unless the sales representative is licensed or exempt from licensing. 32 M.R.S.A. §§ 10301, 16702
13. As a control person and owner of Malory, Stein is liable for any violations of the Revised Maine Securities Act (the "Act") committed by Malory and Gorohoff to the same extent as Malory and Gorohoff unless Stein can prove that he did not know, and in the exercise of reasonable care could not have known, of the existence of the

facts by reason of which Malory's and Gorohoff's liability is alleged to exist. 32
M.R.S.A. §§ 10602, 16412

14. With respect to alleged violations of the Act, the Securities Administrator may, after notice and opportunity for a hearing, issue a cease and desist order if the Securities Administrator determines that the public interest or the protection of investors so requires. 32 M.R.S.A. §§10602, 16702

NOTICE

Notice is hereby given that the Securities Administrator intends to issue an Order to Cease and Desist against Malory, Stein, and Gorohoff. 32 M.R.S.A. §§10602, 10708, 16702

If Malory, Stein, and Gorohoff want to request a hearing in this matter, they must do so in writing within thirty (30) calendar days from the date of this Notice of Intent. 32
M.R.S.A §§10708, 16702

Date: January 2, 2008

/s/ Bonnie E. Russell
Bonnie E. Russell
Acting Securities Administrator

Presented by:

Date: January 2, 2008

/s/ Christian D. Caruso
Christian D. Caruso
Investigator/Examiner